

**EMPLOYMENT AGREEMENT***14 personal files*

THIS AGREEMENT is effective this 21 day of December, 1998 by and between Automated Cell Technologies, Inc., a Pennsylvania corporation (hereinafter the "Company"), having its principal place of business at 390 William Pitt Way, Pittsburgh, Pennsylvania 15238, and Mr. Aleksandr Lisovich, an individual residing at 5848 Phillips Ave., Pittsburgh, PA 15217 (hereinafter "Employee").

WHEREAS, the Company desires to employ Employee in the position of Senior Research Programmer to perform certain services for the Company according to terms of this Agreement; and

WHEREAS, Employee agrees to perform such services for the Company according to the terms of this Agreement; and

WHEREAS, the Company and Employee acknowledge that this is a position of trust and confidence in which Employee will learn of, have access to, and develop proprietary, confidential, and/or trade secret information of the Company; and

WHEREAS, the Company desires to protect its rights in such proprietary, confidential and trade secret information and to obtain the ownership of certain inventions, programs, and other creations made or developed by Employee.

Now, therefore, the parties hereto, intending to be legally bound, agree as follows:

I. EMPLOYMENT AGREEMENT

- 1.1 The Company hereby employs Employee in the position described above and Employee hereby accepts such employment. Employee will be responsible for such duties as are commensurate with and required by such position or office and as may be assigned to Employee by the Company from time to time. Employee agrees to perform his or her duties in a diligent, trustworthy, loyal, businesslike, productive, and efficient manner, to devote substantially all of Employee's professional time to the performance of Employee's duties under this Agreement, and to use Employee's best efforts to advance the business and goodwill of the Company.
- 1.2 This Agreement shall be terminable at will at the option of either the Company or Employee, upon providing the other party thirty (30) days written notice of intent to terminate, provided, however, that (i) the provisions of Articles II, III, IV, V, VI and VII shall survive the termination of this Agreement for any reason and (ii) the provisions of Article III will apply to the technology developed by the Employee in its then current form at the time of termination.

- 1.3 The Company shall pay Employee such compensation and provide such benefits as shall be specified in writing from time to time by the Company. In addition, the Company shall reimburse Employee for all reasonable and necessary out-of-pocket business expenses incurred by Employee during the regular performance of Employee's services under this Agreement, including but not limited to travel and related expenses when performing such services away from the Company's headquarters, provided that no reimbursement shall be paid for expenditures not made in accordance with the Company's Expenditure Guidelines then in effect. Employee agrees to keep accounts with the Company current by prompt settlement after each return from travel status or receipt of the Company funds for services or supplies provided, and likewise to discharge Employee's indebtedness to the Company upon termination.

II. NON-DISCLOSURE OF INFORMATION

- 2.1 Employee agrees during the term of this Agreement and thereafter to treat as confidential and not publish, disclose or allow to be disclosed to any third party or use for Employee's own benefit (except in performing work for the Company) or the benefit of any third party any confidential, proprietary or trade secret information of a technical or non technical nature that Employee receives from the Company or any of its customers, including without limitation drawings, data, memoranda, correspondence, flow charts, production and lab manuals, engineering technology, instrumentation specifications, identity and involvement of research personnel, customer lists, sales and market information, business plans, process designs, operating know-how, or other intellectual property or its physical embodiments whether now existing or hereafter developed and whether or not designated by the Company as confidential, proprietary or trade secret (collectively "Confidential Material").
- 2.2 Employee agrees to take all necessary precautions to protect the Confidential Material from unauthorized disclosure and shall limit access to such Confidential Material to the Company's employees or associates whose duties require that they have access to such information. Employee shall surrender to the Company at any time upon request, and in any event upon termination of Employee's engagement with the Company, all Confidential Material in Employee's possession or control.
- 2.3 Employee will not be liable for the disclosure of any of the Confidential Material which (i) is lawfully and generally in the public domain; (ii) was known fully by Employee without any restrictions on confidentiality prior to the time the Employee received such Confidential Material from the Company or its customers; or (iii) is subject to disclosure pursuant to an enforceable order of a court or governmental agency, provided Employee provides Company with sufficient prior notice to contest such order. In any judicial proceeding it shall be presumed that the Confidential Material constitutes protectable trade secrets of Company, and Employee shall bear the burden of proving otherwise by clear and convincing evidence.

III. OWNERSHIP OF INVENTIONS

3.1 Any invention, discovery, product, process, trade secret, program, data base, data file, trademark, or other development or improvement, whether copyrightable, patentable or otherwise protectable, and whether or not reduced to writing or to practice, conceived by Employee, alone or with others, during the term of Employee's engagement with the Company (whether prior or subsequent to the execution of this Agreement), and whether or not during working hours,

(a) which is within the scope of Projects which Employee was assigned or became involved during the term of Employee's engagement with the Company whether prior or subsequent to the execution of this Agreement or is related to the engineering, research, development, design, manufacture, growth, or sale of cells, cell culture medium, bioreactors, biochemical substrates, pharmaceuticals, or similar technologies ("Business"); or

(b) is a product or service which would be in competition with the products or services offered by the Company; or

(c) which is in any way the result of Employee having used the Company's resources, including but not limited to Confidential Material, laboratory equipment, personnel, computers, communications facilities, programs, information, data bases, office facilities, and process designs;

shall be the Company's sole and exclusive property (the "Property"). Employee shall disclose promptly and does hereby assign to the Company all of Employee's right, title, and interest to any and all such Property and all intellectual property rights related to the Property including but not limited to patents, copyrights, trade secret, or trademark rights to the Property. Upon the Company's request at any time and from time to time, including any time after termination of Employee's engagement, Employee shall execute and assign to the Company applications to domestic and foreign governmental agencies for copyrights and letters patent covering such Property, and Employee shall execute and deliver to the Company such other instruments as the Company deems necessary to vest in the Company the sole ownership of and all exclusive worldwide rights in and to such Property, as well as the copyrights, patents, trade secret, or other proprietary rights relating thereto. The Company shall pay for the costs of signing or filing any documents related to protection of the Property.

3.2 Without limiting the generality of the foregoing, during and subsequent to Employee's engagement with the Company, Employee shall neither publish any work nor permit Employee's name to be used in connection with any publication or promotional material, when such work, publication, or material has been prepared during and in the course of Employee's engagement hereunder, unless Employee first obtains the specific written permission of the Company.

- 3.3 Employee's obligations and covenants in this Article III shall be binding upon Employee's successors, assigns, heirs, executors, administrators or other legal representatives.

IV. COVENANT NOT TO COMPETE

- 4.1 Employee shall not during the term of and for an additional period of two years immediately following the termination of Employee's engagement with the Company, whether such termination is voluntary or involuntary and whether such termination is by the Company or by Employee:
- (a) Directly or indirectly engage, whether as an employee, partner, owner, agent, stockholder (except as a stockholder in a publicly-held corporation in which Employee does not own more than 5% of any class of stock), officer, director, or other representation, in any business which produces, markets or sells any products or services in competition with the products and services provided by the Company anywhere in the world; for purposes of this paragraph 4.1(a), any products or services in the field of the Business as previously defined in Section 3.1(a) will be considered in competition with the products and services provided by the Company; or
 - (b) Directly or indirectly contact any of the Company's Customers or supply the names of any Customers to third parties for the purpose of soliciting such Customer's business in areas that would be in competition with the business; for purposes of this paragraph 4.1 (b), "Customer" shall mean anyone with whom the Company had contact during the term of this Agreement; or
 - (c) Directly or indirectly solicit any employee of the Company to terminate his or her engagement with company and become employed by Employee or any other person in the Business.
- 4.2 In the event that Employee violates the provisions of paragraph 4.1 of this Agreement as determined by a court of competent jurisdiction (or an arbitrator if arbitration is agreed to by the parties for a dispute), the periods described therein shall be extended by that number of days which equals the aggregate of each day during which at any time any such violations occurred.
- 4.3 Employee acknowledges that the broad geographic scope of this covenant not to compete is required because the Company's Business is national and international in scope and that because of the limitation in scope to the Business, it will not be necessary for Employee to violate the provisions of this Article IV to remain economically viable.
- 4.4 The parties agree that, if any court determines that any portion of the business, time and geographical restrictions contained in the foregoing restrictive covenants are

unreasonable, arbitrary or against public policy, then a lesser business, time, and/or geographical restrictions which are determined to be reasonable, nonarbitrary and not against public policy, may be enforced against Employee.

- 4.5 The covenants in this Section 4 are severable and separate, and the unenforceability of any specific covenant shall not affect the provisions of any other covenant. If any provision of this Section 4 relating to the time period or geographic area of the restrictive covenants shall be declared by a court of competent jurisdiction to exceed the maximum time period or geographic area, as applicable, that such court deems reasonable and enforceable, said time period or geographic area shall be deemed to be, and thereafter shall become, the maximum time period or largest geographic area that such court deems reasonable and enforceable and this Agreement shall automatically be considered to have been amended and revised to reflect such determination.
- 4.6 All of the covenants in this Section 4 shall be construed as an agreement independent of any other provision in this Agreement, and the existence of any claim or cause of action of Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of such covenants.
- 4.7 Employee has carefully read and considered the provisions of this Section 4 and, having done so, agrees that the restrictive covenants in this Section 4 impose a fair and reasonable restraint on Employee and are reasonably required to protect the interests of the Company, and their respective officers, directors, employees, and stockholders. It is further agreed that the Company and Employee intend that such covenants be construed and enforced in accordance with the changing activities, business, and locations of the Company throughout the term of these covenants.

V. UNIQUE NATURE OF AGREEMENT

- 5.1 The Company and Employee agree that the rights conveyed by this Agreement are of a unique and special nature. The Company and Employee agree that any violation of Articles II, III, or IV will result in immediate and irreparable harm to the Company and that the Company shall be entitled to any injunction or a decree of specific performance from a court of equity in addition to other rights or remedies which the Company may have at law or in equity. Should any court find any part of Articles II, III or IV to be overly broad, Employee and the Company intend that said court shall enforce this Agreement in such less broad manner as said court finds appropriate. The Company shall have the right to seek less than full enforcement of Articles II, III or IV.

VI. REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

- 6.1 Employee warrants and represents that Employee's performance under this Agreement will not violate any other agreement to which Employee is a party and that Employee will

not bring any materials which are proprietary to a third party to the Company without the prior written consent of such third party.

- 6.2 Employee agrees to use reasonable efforts to defend, indemnify and hold harmless the Company from and against any claim brought against the Company arising from a claim that any work performed by Employee hereunder infringes a patent, copyright, trade secret, or other proprietary right of a third party. The Company shall give Employee all authority to defend any such claim and shall provide all available information and assistance to enable Employee to do so.

VII. MISCELLANEOUS

- 7.1 This Agreement constitutes the entire agreement and supersedes all prior agreements between the parties pertaining to the subject matter hereof and cannot be modified, changed, waived or terminated except in writing and signed by Employee and the Company. No course of conduct or trade custom or usage shall in any way be used to explain, modify, amend or otherwise construe this Agreement. This Agreement shall not give Employee any right to be engaged for any specific term, or to limit the Company's right to terminate Employee's engagement at any time, with or without cause, in accordance with the provisions of Section 1.2 hereof.
- 7.2 All rights, remedies, liabilities, covenants and agreements herein given to or imposed upon either of the parties hereto applies to the successors and assigns of the Company and Employee as well as Company's subsidiary or affiliated corporations and any successor to the business of the Company and at any place in any Article of this Agreement where the Company is referred to it shall be understood as including any subsidiary or affiliated corporation of the Company and any successor to the business of the Company. This Agreement may not be assigned by Employee.
- 7.3 The covenants, provisions, and Sections of this Agreement will be severable, and in the event that any portion of this Agreement is held to be unlawful or unenforceable, the same will not affect any other portion of this Agreement, and the remaining terms and conditions or portions thereof will remain in full force and effect. This Agreement will be construed in such case as if such unlawful or unenforceable portion had never been contained in this Agreement, in order to effectuate the intentions of the Company and Employee in executing this Agreement.
- 7.4 In furtherance and not in limitation of the foregoing, should any duration or geographical restriction or restriction on business activities covered under this Agreement be found by any court of competent jurisdiction to be overly broad, Employee and the Company intend that such court will enforce this Agreement in any less broad manner the court may find appropriate by construing such overly broad provisions to cover only that duration, extent or activity which may be enforceable.

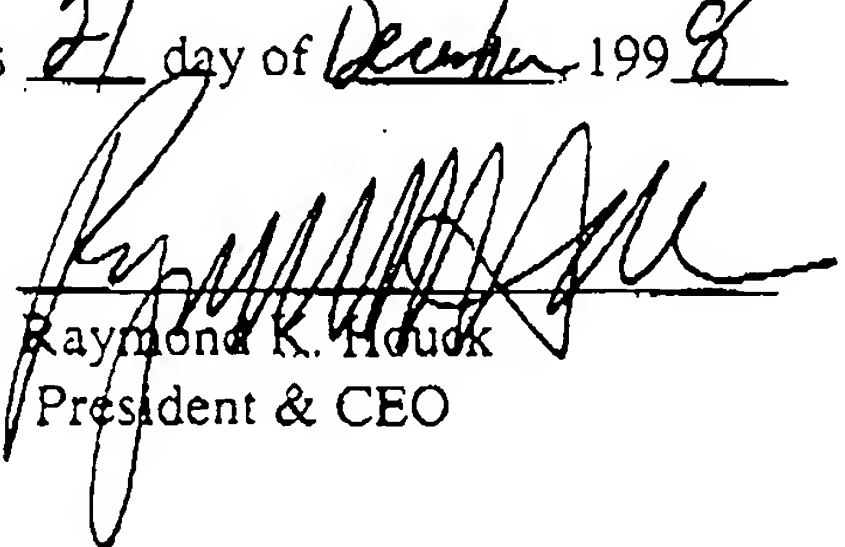
- 7.5 The failure of the Company to object to any conduct or violation of any of the covenants made by Employee under this Agreement will not be deemed a waiver by the Company of any rights or remedies the Company may have under this Agreement.
- 7.6 The Company may assign its rights under this Agreement to any affiliate or parent of the Company or to any corporation acquiring all or substantially all of the assets of the Company or to any other corporation into which the Company may be liquidated, merged or consolidated, or to secure any indebtedness of the Company.
- 7.7 This Agreement will be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflicts of laws provisions.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Agree to and Accepted by:
Automated Cell Technologies, Inc.

Agreed to and Accepted by:

This 21 day of December 1998

By: 
Raymond K. Houck
President & CEO

This 17 day of December, 1998

By: Aleksandr I Lisovich
Employee

Name: Mr. Aleksandr Lisovich